

GERMANY ACCEPTS FRENCH BASIC PLAN FOR REPARATIONS

It Means Heavy Loss to America if Proposals End in Final Agreement With Allies.

WOULD CUT EXPORTS
Indemnification to Be Made Largely in Goods and Raw Materials Through Trade Credits.

SEVERAL CONDITIONS SET

Berlin to Retain Upper Silesia, and Regain Shipping Tonnage; Rhine Army to Be Reduced.

By RICHARD SWING.

Special Cable to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, Berlin, Jan. 19.

The German Government has accepted French proposals as a basis for negotiating a reparations settlement with the Entente Allies. France and England have agreed that the reparations sum shall not be set at the present time, but, instead, that a comprehensive plan be worked out for reparations payments in goods and raw materials in annual amounts for a period of years. Accepting this as a basis for negotiations, Germany has set several conditions, according to the *Taegliche Rundschau*. These conditions, it says, are:

1. That Upper Silesia be retained by Germany.
2. That the army of occupation be reduced.
3. Shipping tonnage be restored to Germany.

Would Be Loss to America.

THE NEW YORK HERALD correspondent here is in a position to say authoritatively that the French proposals, should they be accepted finally in their present form, would result in such a close interlocking of French and German industry that they would entail practically a loss to America of both France and Germany as heavy buyers. They would put an end to the possibility of Germany becoming the chief market for Germany's manufactured goods.

If Germany accepts the programme, the long arguments over reparations will be settled and Germany will virtually become the economic subject of France. Reparations would in large measure be paid by the foreign trade of the new partnership.

Such a settlement would on one hand, remove the hostility between France and Germany, and so far towards safeguarding European peace. On the other hand, it would promptly wreck the plans of American business men to reap great advantages from the power now possessed by the United States and to profit from the rehabilitation of Germany.

Direct Indemnification.

The French proposals to Germany are in the form of a practical method for direct indemnification which in itself appears to be routine detail. By the scheme, these Frenchmen, who were industrial looters by the war would be authorized to replace their property destroyed through dealings directly with German sellers. Then these buyers would present the bills for their purchases directly to their local French bank, and since they had suffered losses by the war they would not have to pay. Their local bank would send the bills to the Bank of France, which in turn would pass them through the Reparations Commission to the Reichsbank in Germany or a similar institution, which would pay the German sellers for what the French had purchased. Meanwhile the Reparations Commission's checks on the sum from reparations would be used to make good the loss to its credit with the Reichsbank could be used for all allied purchases in Germany.

This is one of the provisions of the proposed arrangement which makes the French scheme so significant. The idea is that in all deals above a certain amount which allied business men make with German business men they can enjoy these special banking facilities, while the Reparations Commission deducts a portion of the sales price—say 20 or 25 per cent.—which is placed to the credit of Germany's reparations account.

To Make Plan Attractive.

It is the purpose of the Allies to make this form of trading with Germany as attractive as possible, either by reducing customs charges or by making special exchange rate concessions. This plan opened with the Reichsbank by the Reparations Commission could also be used for recruiting laborers for the rebuilding of the devastated areas of France, to engage directly German workers and to pay for lodging and board of these workers only, while the Reichsbank pays the bills for the support of the working men's families at home.

One of the most important provisions permits corporations in allied countries to take shares of German corporations on the basis of this reparations credit. These shareholders would never be forced into German companies, but would be taken in voluntarily. This

MONEY BANNED IN PETROGRAD AND LABOR MADE CURRENCY

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New York Herald Bureau, Paris, Jan. 19.

TRAVELLERS arriving in Paris who left Petrograd a week ago declare that the former Russian capital is now without money; gold and silver as well as bank notes having been officially discarded since the new year began. Instead of money, hours of work actually performed is taken as the basis for all economic negotiations among the population. Every one carries around a small notebook, wherein especially appointed commissioners stamp the amount of work done.

If the worker wants a meal in a restaurant or a pair of boots he merely visits one of the Government stores and has so many hours checked off his list. As a result every one must work or stop eating, while foreigners are forced to make special arrangements with the Soviets, as long prison terms face any merchant who tries to lay up material riches.

PLOT SEEN IN 20 WORCESTER FIRES

Militia Mobilized as Three Inquiries Start in \$1,000,000 Blaze.

FIFTY STORES DESTROYED

Hundreds Homeless and Residents Are Fearful of 'Terror Reign.'

Special Despatch to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD.
Worcester, Mass., Jan. 19.—After several hours of preliminary investigation, city, State and Department of Justice authorities are convinced that a series of fires in this city early today destroying fifty business establishments, causing a loss of more than a million dollars and threatening widespread disaster, was the work of incendiaries.

The largest two of the series of more than twenty fires, one of which was in the very heart of the business section, and the other in a manufacturing and tenement section not far distant, caused by far the heavier damage.

When the firemen reached the latter fire in the area of North Foster and Union streets, they found a blazing suit case fifty feet from one of the burning structures, in the doorway of another building. They also found a blazing oil barrel some distance from the fire, close to still another structure.

That twenty small fires which were discovered in various sections of the city during a period of less than four hours did not catch from flying embers has been proved. Many of them had their start indoors and many of them were in the exactly opposite direction from that in which the blazing embers were wafted.

Rumors are being spread about the city and they fall on willing ears, although many of them are without foundation. One is that the city is being made the prey to anarchists who have inaugurated a reign of terror. In this connection it was said the \$800,000 fire in Springfield last night was a part of the same campaign.

In what he described as a "preventive measure," Mayor Peter Sullivan late today issued a call for the Worcester National Guard to report at the armories prepared for duty, if necessary.

Authorities are running down stories being poured into their ears to the effect that several property owners and large business places would be burned.

The big fire in the business section close to the City Hall is believed to have started on one of the upper floors of the seven story Knowles Building, one of the finest business structures in the city. This big building was quickly doomed and the flames jumped Main street and were soon working into the front of the William H. Sawyer Building directly across. At this stage the broad business area of the city covering blocks in every direction appeared doomed in the vigorous wind.

Zero weather handicapped the firemen, who suffered greatly. They were obliged to work in relays, though they were compelled to attack to unequal tasks until all poured in from a dozen cities and towns, including Boston, forty miles distant. The latter city sent its new automobile combination Engine 26, just delivered, which made the run in sensational time. The faces of the crew were frozen and the men now are receiving hospital treatment. Fully a dozen of the firemen are receiving treatment for frozen hands and feet.

CHICAGO MAIL LOOT
WILL TOTAL \$76,000

\$61,000 in Bonds Part of Stolen Securities.

CHICAGO, Jan. 19.—The value of the bonds and other securities obtained in the mail robbery at the Union Station Tuesday will total \$76,000, it was announced by the police to-night. Herman Gifford, Chicago manager for Blair & Co., New York brokers, reported that his company's office here was part of the loot.

Mr. Gifford said a New York despatch reporting the Blair & Co. loss as \$113,000 was due to a mistake and was probably caused by figuring several \$100 bonds at \$1,000.

Other losses, it is believed, will be shown when the check of the twelve sacks of registered mail is completed. Meanwhile the police and postal authorities are redoubting their efforts to apprehend the five robbers before they can negotiate or destroy the bonds, transfer of which has been stopped.

The robbery took place early Tuesday when five youthful bandits held up a mail robbery at the Union Station and escaped with twelve sacks of registered mail which were to have been placed on a train leaving for St. Paul.

Remember—Deerfoot Farm Sausage. Be insistent when the dealer suggests something else. No other sausage like that produced at Deerfoot.

EUROPE NOT READY TO SCRAP LEAGUE TO SUIT AMERICA

Considerable Coolness Is Shown to Suggestion of New Peace Plans.

SEEK U. S. FRIENDSHIP

But Neither France Nor Great Britain Would Ignore League to Keep It.

WOULD ACCEPT REVISION

French View Is This Country May Be Rebuked Politely for Aloofness.

By LAWRENCE HILL.
Special Cable to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, Paris, Jan. 19.

Europe, or rather the Entente part of it, is showing considerable coolness to the suggestion contained in newspaper despatches from the United States that President-elect Harding is considering inviting the principal Powers to send representatives to Washington to discuss disarmament and an arrangement to insure world peace.

These Washington reports are made the basis of a violent attack by Philip Millet, writing as a diplomat in the Paris *Midi* this evening, and there are many other indications that if the reformed Harding plan does not recognize the existence of the present League of Nations the new Administration in Washington must be prepared for some disappointing replies to any invitation it may send out for such a conference.

This does not mean that France and other nations would, perhaps, refuse to send representatives to Washington, nor does it mean that sentiment here favors the present covenant. The point to be stressed with candor is that European statesmen have been pondering the Harding ideas which have come from Marion, Ohio, lately and apparently they have become more determined than ever to oppose an entirely new peace plan which would discard the present League of Nations or even ignore its existence in the peace treaty.

The growing fear here appears to be that this is what Mr. Harding has in mind in connection with the proposed conference. Although desirous of retaining the friendship and obtaining the cooperation of the new Washington Administration, France in her troublesome situation does not seem to be ready to go as far as this, nor does Great Britain.

Willing to Make Changes.

As has already been stressed, these countries will consider very radical revision of the covenant of the League, but on account of the situation it bears to the peace treaty they will not consider the scrapping of the organization.

Against the idea which it is feared here is Mr. Harding's mind of an entirely new peace plan Rene Viviani, one time Premier and political power in France, has now ranged himself with all the forces of his country against the present League organization. He has been heard to say before the French League of Nations Society that the greatest significance, as it showed that while he is for changes in the covenant of the league, and is even willing to consent to calling it an association of nations if Mr. Harding so desires, he is, at the same time, for a conception of the present League organization as a part of the Treaty of Versailles and invested with administrative powers in certain matters vital to France, and, therefore, he holds, France cannot consent to its dissolution.

Have Rebuke in Store.

Mr. Millet's article in the Paris *Midi* is significant of the view in many powerful quarters here that the United States should be rebuked politely if she ignores the League entirely, especially since so many nations now belong to it. The article pictures Mr. Harding, in saying a Washington conference, as suggesting that America having changed Presidents, it will be necessary for the other nations to replace the league by an institution of his making and warning them that if a Democratic President succeeds him in four years it might be necessary to change the league again.

Taking up the American suggestion of Continental league groups, Mr. Millet suggests that the South Americans might prefer a Chinese group rather than United States domination and that Japan might insist on an Oriental group which she would dominate with peril to the American open door policy.

BRITISH PRESS SEES
END OF U. S. ISOLATION

Harding Policy Hailed as Sign of Cooperation.

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New York Herald Bureau, London, Jan. 19.

The tentative proposal by President-elect Harding to call a conference of

Continued on Second Page.

UTERMAYER WILL INSIST UPON BANK INQUIRY OR QUIT

Tells Legislators He Refuses to Be Hedged by Regulations.

HOSTILITY AT MEETING

Assembly Is Expected to Weaken Resolution After Senate Passes It.

LUSK AND MACHOLD WARY

Lockwood Counsel Says Housing Cataclysm Nears as Albany Delays.

Special Despatch to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD.
New York Herald Bureau, Albany, Jan. 19.

Samuel Utermayer served notice today on the Finance committee of the Legislature that the Lockwood committee would not try to extend its investigation into the affairs of insurance companies and savings banks unless authority was given to go the limit deemed necessary. The hearing granted by the legislative leaders on the committee's request for more power developed into a flat showdown without a decision.

"The committee has not the faintest intention of disturbing or exploding the financial world," Mr. Utermayer told the Senators and Assemblymen at the joint session of the Finance and Ways and Means committees. "We have now come to the third and last phase of our investigation."

"What we must do if the inquiry is to accomplish anything is to find some way to replace the real estate mortgages which are now being foreclosed. It is absolutely essential that we should know the investment capacity of the insurance companies and savings banks. They are our only recourse."

"The committee starts now and all can nowhere unless it can get all the facts concerning the investments of these institutions. There is no sense in trying to go on, and we shall not go on. It would mean that we would be hung up in the middle of our investigation and the State would have endless litigation on its hands. There is no sense in trying to start the thing unless we can finish it."

Utermayer Vexes Lusk.

Senator Lusk, who with his associates had listened with evident impatience to Mr. Utermayer's plea for more power and his statement of the reasons why that authority should be given, broke in and said:

"I don't see how this lecture bears on the question. Do you want the power asked in this resolution to make a general investigation of banks and insurance companies, or do you simply want the power to make an investigation in so far as it bears on the question of housing? What is it you want? That is what we want to know."

"Yes, and that is the crux of the whole thing," Mr. Utermayer said. "Then that is all you want, is it?" Mr. Lusk asked again.

"All we would be likely to use is the power in relation to the housing question," Mr. Utermayer continued, "but we know we are going to be met with opposition at every stage, and if we have to determine the course whether or not each particular thing we want has direct reference to the housing question, then we might just as well not start at all."

The whole bearing of the legislative leaders was distinctly hostile to Mr. Utermayer and to the committee's request, although Senator Lusk declared that no member, sitting in the joint session, had voiced any opposition to permitting the inquiry to proceed as far as necessary in dealing with housing.

"There is no opposition here to what you ask," Senator Lusk said sharply. "All the opposition you have been hearing about is the press; it is all a straw man. There is nothing to it at all."

"If there isn't any opposition, and you are willing to let the committee go ahead, what's all the talk about?" Mr. Utermayer asked.

Lusk Explains the Delay.

The Senator exclaimed that there were certain things in the resolution which were not just clear and about which the members of the joint committee wished to have further information before taking action.

In spite of Mr. Lusk's statement that there is no opposition to the committee the belief persisted to-night that something would be done to pull the teeth from the Lockwood resolution. Just what it may be is not clear. Speaker Machold indicated clearly by questions he asked that he did not endorse fully the committee's request. It is reported that possibly the Senate may take favorable action on the pending resolution and that it will hit a snag in the Assembly, where the majority is overwhelmingly made up of up-State members.

Not above the days of the historic battles over direct primaries, horse racing and the creation of the public service commissions has there been such a tremendous pressure brought to bear to stifle legislative action as is now aimed at the Lockwood committee resolution, according to members of the committee.

Mr. Utermayer reached Albany at 4 o'clock and hurried to the Capitol, where fifteen minutes later he found the joint committee waiting his arrival. Senator Hewitt said the finance committee was ready to hear the Lockwood committee's argument on why the empowering resolution should be passed.

"Where is the opposition?" Mr. Utermayer asked.

Continued on Eighth Page.

POLICE GRAFT NOW RICHER THAN EVER, WHITMAN ASSERTS

More Widespread Probably Than in Becker's Day, Is Opinion of Special Prosecutor.

BUSINESS IS VICTIMIZED

Formerly Crooks Paid for Protection, Now Legitimate Trade Is Pressed for Bribes.

CAPT. DU BOIS INDICTED

Was Lately in Enright's Home Precinct—Charged With Taking \$100 for Guarding Publishing House.

Charles S. Whitman said last night that in his opinion there is as much grafting now in the Police Department as there was in the days of Becker, perhaps more. He also believes that it is widespread.

But in recent years it has assumed a new form. The old time crooked policeman got money for protecting lawbreakers—for ignoring his duty. Now he gets it for protecting legitimate business against lawbreakers—for doing his duty. And the possibilities of graft in large figures under the new system are much greater than under the old, as Mr. Whitman views them.

This is the former Governor's measured judgment after a study of the signs and portents vouchsafed him in almost two weeks of investigation as a special assistant of District Attorney Swann. It was put into words last night following the indictment yesterday of another police captain, Percy M. Du Bois, but was based not on that case especially but on a general review of the evidence that has come beneath his eye.

Was in Enright's Home Precinct.

Du Bois, suspended by Commissioner Enright after the indictment was found by the additional January Grand Jury with which Mr. Whitman is working, was recently captain at the Atlantic avenue station in Brooklyn, in the precinct wherein Mr. Enright lives. He is charged specifically with having asked and accepted \$100 on September 8, 1919, for furnishing police protection to the Printers Publishing Company of 207 West Twenty-fifth street during the strike of the outlay printers. He was released in \$2,500 bail.

His counsel, Terence J. McManus, said his client was innocent and could quickly prove it when the opportunity was presented. Du Bois is the captain whose retirement on a pension was to have been effected on a Tuesday night. The Police Commissioner countermanded the order at Mr. Whitman's request.

Du Bois is the second captain indicted within a week. The other is Capt. William A. Bailey of the West Thirtieth street station, whose precinct rubbed shoulders with that formerly commanded by Capt. Du Bois. Bailey, indicted on Thursday of last week, is accused of asking and accepting \$500 from the Associated Fur Manufacturers, Inc., for police service during a strike last year. Both indictments were written under the law forbidding a public officer from receiving a gratuity for performing an official act. Yesterday William J. Fallon, Capt. Bailey's counsel, went into General Sessions and asked Judge Crain to put the case on the preferred calendar for speedy trial. Capt. Bailey said he was anxious to clear his name.

Another Indictment Sought.

Mr. Whitman is preparing to recommend still another indictment, and may be ready to submit the evidence to the Grand Jury to-morrow.

"I am at work," he said last night. "On several matters which may justify presentation before the Grand Jury. Some of the cases are along the same lines as those already developed, some are along different lines. I cannot tell now which will be ready first."

He said he was not prepared to say whether he thought there should be an investigation by a committee of the Legislature. That, he considered, was a matter for the Legislature to determine.

"But," he added, "a great deal of evidence for a Grand Jury."

It is evident that the Grand Jury and Mr. Whitman are working in perfect accord. On each of the two occasions he has predicted an indictment it has been forthcoming the next day. He has gone into the Grand Jury room only twice, and each time an indictment against a police captain followed him out.

Mr. Utermayer accuses him of making free with Grand Jury secrets, but as a matter of fact persons who have known Mr. Whitman a long time have never found him so chary of information. What little he has said thus far has been borne out by subsequent action.

His view as to the prevalence of present day graft was given last night in answer to this question: "Does it

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SEE NEXT TO LAST PAGE.

FLORIDA'S THROUGH TRAINS DAILY.
Leave Jacksonville 8:30 A. M. Office, 1306 Broadway (252 21). Tel. Longacre 5965.
—Ad—

WOMAN JUDGE GIVES LIFE.
CLEVELAND, Jan. 19.—Common pleas Judge Florence E. Allen to-day sentenced Robert Mommers to life imprisonment after a jury, containing three women, found Mommers guilty of second degree murder for the slaying of Henry Thompson last Thanksgiving Day. It was Judge Allen's first murder case.